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FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the matter of

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Toll Free Access Codes

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CC Docket No. 95-155

COMMENTS OF AMERICAS CARRIER TELECOMMUNICATIONS  
ASSOCIATION

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## SUMMARY

**Administration.** Americas Carriers Telecommunication Association (ACTA) submits that the Federal Communications Commission (FCC) is correct that a firm and evenhanded policy in the assignment of toll free service numbers for use by the public must be established. ACTA further submits that the methods chosen must insure that small carriers are in no way handicapped in their ability to participate in acting as RESPORGs or in their ability to administer their RESPORG responsibilities.

One of the most pressing problems with the present administration of toll free access codes is that it allows for both carriers and end users to **reserve large amounts of these numbers for future use**. This "warehousing" of numbers adversely impacts the competitive environment by skewing the distribution of these numbers to larger entities.

ACTA submits that toll free service numbers should not be able to be reserved by a RESPORG or an end user for more than 30 days. The use of an escrow requirement for number reservation would gravely encumber the assignment process and unfavorably impact small carriers.

**PIN Number.** ACTA has concerns for deployment of a PIN number to be used in association with toll free access codes. The use of personal identification numbers by callers could mean a near total re-education of the public in the use of 800 numbers resulting in marketplace confusion and an added level of technical complexity that may be unnecessary.

**Reservations.** Technology coupled with the present rules skew the current reservation system in the favor of the larger RESPORGs. The reservation system must be administered in an even handed manner utilizing the most advanced technology available. The order entry system should be automated. Each of the carriers should be required to enter orders electronically. Carriers should not be allowed to reserve large quantities of numbers.

**Phased Introduction.** ACTA believes that sufficient network infrastructure must be installed to serve the existing demand levels of today. That being said, in anticipation of some slippage from the LECs and some pent-up demand from the market, ACTA supports the Commission's proposal to allow for number reservations up to 45 days in advance of general availability but not allowing those reservations to change to working status until the available date or beyond. ACTA also supports limiting the quantity of numbers that can change in a one day period.

**Future Toll Free Code Assignments.** ACTA believes that the procedures established for the deployment of 888 code service should be broad enough to cover future requirements. The Commission should establish firm rules for the industry to follow for the replenishment of toll free numbers. ACTA supports the Commission's proposals that all network switches software support numbers reserved in 1995 for installation in 1997. Planning for the next deployment should be triggered when the number availability reaches 50% with a completion cycle of six months.

**Tracking Usage.** ACTA supports the Commission's proposal that the SMS database administrator be required to submit periodic reports to the Commission on toll free numbers working, numbers in spare status, and estimated time remaining of number pool. ACTA suggests that these reports be submitted to the Commission on a monthly basis.

**Vanity Numbers.** ACTA believes there is a need for the Commission to issue specific guidelines for the administration and dispersion of "vanity" numbers. In this regard, ACTA recommends that the Commission establish separate guidelines for "vanity" numbers. All of the numbers that have the possibility of conversion to a name or word would be segregated from the main database and administered separately. The RESPORGs should not have the ability to reserve them.

ACTA supports an end user's right of first refusal on "vanity" numbers and suggests that a non-recurring charge be assessed based on a sliding scale keyed to the assets and income of the end user with a minimum charge of \$1000 per number. The exercise of the right should not be permitted more than once. Each end user should also be allowed to reserve the same number in the next toll free access code released (e.g., 887).

**Industry Code Assignment.** The potential benefits of the Commission's suggestion of using an alternative approach of assigning a numerical code to each service and industry in the economy such as an Standard Industrial Code ("SIC") is not seen by ACTA as outweighing its detriments. The Commission should heed the many letters from end users received on this topic.

**Conclusion.** In conclusion, the present system for assigning toll free access numbers is an outgrowth of the procedures used in the old Bell System with change being forced only by Divestiture. It is therefore necessary for the Commission to create new policy and procedures which provide for maximizing the even-handedness of future number administration. forward. Even-handedness in turn means that the administrator of these toll free access codes cannot remain with Bellcore.

## **INTRODUCTION**

Americas Carriers Telecommunication Association (ACTA) represents interexchange carriers on a national basis with members in nearly all of the United States. One of its major concerns is to preserve the delicate existence of competition in the interexchange marketplace and to enhance the state of competition by eliminating to the greatest extent possible the uneven advantages that persist today and are likely to spread with the advent of the entry of more monopoly entities into the marketplace.

The issues raised by this Notice of Proposed Rulemaking (NPRM) on toll free access codes is extremely important to ACTA and its members. When and how the policies derived from this NPRM will have great impact on the state of future competition in the telecommunications marketplace. It is therefore certain that AT&T and its current and future large carrier rivals, the RBOCs, will seek to gain advantage by having the FCC shape policies under the guise of technical or practical necessities, when in reality, the only necessity involved will be preservation of their control of this important segment of a struggling competitive telecommunications environment.

The Commission must clearly recognize its role in regard to such important issues as here involved. The FCC's role is both as the regulatory body charged by Congress and the American people with fashioning national policy to ensure the benefits of today's competitively provided telecommunications and as a partner in government to oversee that its policies are designed not only to avoid undue burden on small business, but to ensure their meaningful participation in the future of communications both as user-benefactors and as competitive suppliers of state of the art services.

## ADMINISTRATION

ACTA submits that the Federal Communications Commission (FCC) is correct that a firm and evenhanded policy in the assignment of toll free service numbers for use by the public must be established. At the present time, there are more than 8 million toll free 800 numbers in use in the country.<sup>1</sup> Their use and importance to the using public has transcended employment by businesses alone, and 800 service is now a growing staple of the accepted public convenience and necessity for non-profit entities and residential users alike.<sup>2</sup> As of June 13, 1995, there were approximately 600 thousand 800 numbers remaining in the common database assignment.<sup>3</sup> The number pool was depleted first by the popularity of the service and secondly by the poor administration of the numbers.

One of the most pressing problems with the present administration of toll free access codes is that it allows for both carriers and end users to **reserve large amounts of these numbers for future use**. This "warehousing" of numbers adversely impacts the competitive environment by skewing the distribution of these numbers to larger entities. A concomitant consequence has been to create a critical shortage of 800 numbers so that without intervention by the Commission, these numbers would have been exhausted by the middle of this year.

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<sup>1</sup> The 800 service access code is a Numbering Plan Area (NPA) access code established under AT&T's monopoly regime. (NPRM @ ¶ 3).

<sup>2</sup> NPRM @ n.2.

<sup>3</sup> NPRM @ ¶ 8.



To alleviate the shortage of numbers, the FCC selected the interchangeable NPA 888 as the first alternative toll free access code. While IXC's estimated their networks would be able to support the new codes as early as mid-December, 1995, the LECs stated that their networks would not be able to support such a change until April, 1996 at the earliest. Whether or not this dichotomy in time tables for transition to the alternative access code is a deliberate strategy of the RBOCs to slow roll changes in network capabilities until after they are allowed into the interexchange market, it points up once again the essential need for the future administration of toll free service to be removed from the control of any carrier or group of carriers to ensure that no entity or entities can use toll free number assignment as an anti-competitive device.

The present rules do not take into consideration the growth of the 800 business, the competitive advantage that it gives to the larger carriers or the lack of procedures that ensure fair access to toll free access codes for all competitors. Moreover, assignment of toll free service numbers has been administered differently than the assignment of regular telephone numbers. The present system began with the advent of 800 number portability in May, 1993. Using SS-7 network architecture and a database plan proposed by the RBOCs, management of the 800 numbers passed to a Bellcore subsidiary, Database Services Management, Inc. ("DSMI"). DSMI then assigns 800 numbers to a RESPORG to manage and administer the records of the end user employing a discrete 800 number or numbers. While there are about 138 RESPORGs at this time,<sup>4</sup> too few

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<sup>4</sup> NPRM @ ¶ 7.

of these RESPORGS are smaller IXCs.

It is more certain that end users are very protective of their 800 telephone numbers, and in many cases believe they have a vested interest in them, a position not without its merit. Indeed, ACTA has no quarrel with such a position. On the other hand, ACTA is concerned that large carriers and particularly the RBOCs which own BellCore are prone to view toll free numbers or at least heir management and administration as their personal "currency" allowing for manipulation and exploitation.<sup>5</sup>

This brings ACTA to its first principle of effective policy on the future administration of toll free access codes. ACTA submits that toll free service numbers should not be able to be reserved by a RESPORG or an end user for more than 30 days. The use of an escrow requirement for number reservation<sup>6</sup> would gravely encumber the assignment process and unfavorably impact small carriers.

It does not take much experience in this industry to realize that with the present minimum charge of \$0.70 for each toll free number taken from the SMS/800 database presently used as an administrative fee for cost recovery would not deter "warehousing" of numbers by any entity. Even at \$10,000 or \$100,000 per number, having carriers put funds into escrow, effectively "making a deposit" would not only not deter large carriers and users from reserving all the numbers they wanted, it would serve as an inducement to do so. On the other hand, the more "dear" the price of the escrow, the more certain

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<sup>5</sup> *The present prohibitions concerning number reservation, assignment or activation concern the use of numbers by individuals. It does not address the carriers use of numbers.*

<sup>6</sup> NPRM @ ¶ 14.

the result that small carriers would be frozen out of equal participation in access to toll free numbers.

ACTA agrees that a maximum period of time that a toll free number can be assigned but not activated should be established. The period should in all likelihood be relatively short, 30 days and certainly no longer than four months suggested by the Commission. While potentially more administratively burdensome, the small additional cost may well be worth it if an initial assignment period of 30 days is set, with the option to renew for good cause for an additional 30 day period.

The same time frame should also apply to toll free numbers that have been disconnected, suspended or placed in any other suspended status, any status other than working status.

### **PERSONAL IDENTIFICATION NUMBERS**

As an alternative to remedy the exhaustion of the 800 number pool, the Commission requested comment on the use of technologies available that permit a single 800 number to be used by multiple parties. ACTA has concerns for deployment of this alternative. The use of personal identification numbers by callers could mean a near total re-education of the public in the use of 800 numbers resulting in marketplace confusion and an added level of technical complexity that may be unnecessary.

For example, under the leadership of the FCC, the industry is in the process of deploying 888 numbers into the numbering plan and there are still 800 numbers available. Using PIN numbers with 800 numbers may allow for multiple use of the same number, but risks solving a technical problem by creating a customer service problem.

Many customers have invested substantially in the advertising of their 800 telephone numbers. Now to have to share those numbers with others with only a PIN number as a differentiator could cause confusion and result in extreme customer dissatisfaction.

On the other hand, if the Commission allowed for the 800 numbers to remain free of PIN use, but permitted PIN use with the new 888 numbers, new 888 users could be disadvantaged vis-a-vis 800 number users. In addition, the small carriers which have yet to enter the RESPORG function, would be competitively disadvantaged because they could not acquire a true discrete toll free access number to offer the marketplace. Such a handicap is sure to be used to competitive advantage by existing RESPORGs.

The result appears therefore to be the regulatory establishment of two unequal classes of toll free numbers. While it might be appropriate for use in personal paging or residential personal toll free service, it adds complexity to a numbering scheme that seems unnecessary at least at this time. In addition, it provides an opportunity for another bottleneck, the possible manipulation by the large carriers without any tangible benefit to either the customer or the carrier industry.

### **RESERVATIONS**

Under the existing Industry Guidelines, each RESPORG may reserve up to 1,000 numbers or 15% of the total quantity of working toll free numbers, whichever is greater. This appears to be one of those procedures that looked reasonable at the beginning but in actuality provides for abuse. There are six major carriers which are

presently using a mechanized generic interface which permits them to process large volumes of transactions with the SMS for number reservations. Technology coupled with the present rules skew the current reservation system in the favor of the larger RESPORGs.

The reservation system must be administered in an even handed manner utilizing the most advanced technology available. The order entry system should be automated. Each of the carriers should be required to enter orders electronically. Carriers should not be allowed to reserve large quantities of numbers. In fact, there is no need for them to reserve any numbers.<sup>7</sup> What occurs today is a double reservation system. The carriers reserve numbers from DSMI and customers reserve numbers from the RESPORG.

RESPORGs should not be allowed to reserve numbers for more than 30 days, subject to short extensions for good cause shown as suggested earlier. In addition, carriers should not be able to reserve numbers in an amount greater than the amount they ordered the previous month plus an additional 5% for growth. End users should be allowed to order numbers only for their own use to avoid "traffiking" (which has occurred and is being attempted) with an installation date of no more than 60 days after receipt of order. There is no need for massive amounts of numbers to be reserved by carriers or end users provided the Commission establishes equitable rules and procedures.

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Historically, carriers reserved blocks of numbers to make sure that they would have enough numbers to fill orders. Then, numbers were reserved for number selection and vanity purposes. Now, numbers are reserved as a anti-competitive device by carriers and hedging by individual subscribers.

## **PHASED INTRODUCTION**

At the present time, it is expected that the networks will be able to deploy the new 888 toll free service on April 1, 1996. While there should be no problem for the networks to meet this date, there is likely to be a pent-up demand for both the remaining 800 numbers and the new 888 numbers.<sup>8</sup> It is to be expected that there may well be a burst of order activity within the first 90 days of the initial deployment date. However, as of today, the cap established by the Commission for 800 numbers to be issued on a weekly basis has not been reached.

It is very important to begin the deployment as soon as possible. It is also prudent policy for the Commission to mandate that the networks be able to deploy the new 888 service at the same level as 800 service is being installed today.

Therefore, ACTA believes that sufficient network infrastructure must be installed to serve the existing demand levels of today. That being said, in anticipation of some slippage from the LECs and some pent-up demand from the market, ACTA supports the Commission's proposal to allow for number reservations up to 45 days in advance of general availability but not allowing those reservations to change to working status until the available date or beyond.

ACTA also supports limiting the quantity of numbers that can change in a one day period. The suggested time frame for this phased introduction should be from April 1

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<sup>8</sup> The FCC established a weekly allocation of 28,000 toll free numbers in June of 1995. Since that time, the rate of installation has been under that level.

until August 31, 1996.<sup>9</sup>

### **NEXT TOLL FREE CODE**

The Commission has asked for comment on a proposed implementation plan for the next toll free code beyond 888 in an effort to prevent a situation similar to the one faced today. The telecommunications industry has well-established methods of network planning. Companies usually work with either a three or five year plan. Advanced warnings are possible evidenced by the fact that Bellcore and DSMI alerted everybody to the fact that the country was running out of 800 numbers. A problem existed because there was no established industry procedure or FCC policy on how to deploy new toll free numbers.

The Commission has suggested that one approach would be to commence planning the next toll free code deployment upon completion of the deployment of the 888 code toll free service. A second suggestion would be to establish a level of 50 % of remaining numbers as the trigger that would begin the planning of a new toll free service code. ACTA believes that the procedures established for the deployment of 888 code service should be broad enough to cover future requirements. The Commission should establish firm rules for the industry to follow for the replenishment of toll free numbers.

The industry faced a major challenge with the establishment of 800 number portability and the deployment of 888 service. Network infrastructure and new switch

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<sup>9</sup> This position is based on the belief that there does not appear to be excessive pent-up demand. ACTA might revise its position if evidence to the contrary is presented to the Commission.

software had to be created and implemented into existing network and switching schemes. The SS-7 networks had to be expanded, databases increased, signal control points and switching points upgraded. However, this has been accomplished for 800 number portability and is well underway for 888 deployment.

Once this is completed, except for volume upgrades of networking and switching, the preponderance of work will have been completed. Should there be future requirements for additional toll free service, this should be accomplished within six months. Therefore, ACTA supports the Commissions proposals that all network switches software support numbers reserved in 1995 for installation in 1997. Planning for the next deployment should be triggered when the number availability reaches 50% with a completion cycle of six months.

### **TRACKING TOLL FREE NUMBER USAGE**

The number of toll free service users has doubled in two years. Most of the use is legitimate with customers using what they order. However, both carriers and customers have been reserving 800 numbers over the past year. This has exacerbated the 800 number pool and has hastened the deployment of the new 888 service. The current reservation system places an indeterminate amount of numbers in limbo. While it is possible for the administrator to know the amount of these numbers, they are not able to determine when these numbers will go into service, if ever.

The reporting and tracking of toll free service has been informal in the past. The Commission has proposed that the SMS database administrator be required to submit periodic reports to the Commission on toll free numbers working, numbers in spare



status, and estimated time remaining of number pool. ACTA supports this reporting proposal and suggests that it should be submitted to the Commission on a monthly basis.

### **VANITY NUMBERS**

A vanity number is a telephone number that, in one iteration, may be translated into a word when associated with the numbers on a telephone dialing pad. Businesses favor them for the product, service, or company name recognition provided. Businesses invest heavily at times in advertising them. Many companies have had their vanity 800 number for years. Some numbers have been advertised so many times that the public has memorized them. Because of this, customers are very concerned that the deployment of new toll free service codes not infringe on “their” numbers. The deployment of the new 888 service will not affect the fact that seven digits must be dialed following the 888 number code just like the seven digits following as 800 number code. At the outset of 888 dialing, it should be anticipated that although preceded with the new 888 prefix, all of the public will not notice. It is very likely that for some period toll free calls will be mis-dialed.

While there is a relatively small percentage of numbers that could be considered “vanity” numbers, they represent a flashpoint in the minds of both the customers who use them as well as the public. There is a need for the Commission to issue specific guidelines for the administration and dispersion of these numbers.

In that regard, ACTA recommends that the Commission establish separate guidelines for “vanity” numbers. All of the numbers that have the possibility of conversion to a name or word would be segregated from the main database and

administered separately. The RESPORGs should not have the ability to reserve them. There should be a separate, non recurring charge of \$50 per number billed to the RESPORG. The administrator should deal directly with the RESPORG after receiving an end user order.

The Commission has proposed to permit the holder of an 800 “vanity” number to have the right of first refusal over all other interested parties to receive the equivalent number. ACTA agrees with the Commission’s proposal. To do otherwise would invite marketplace confusion.

However, because these numbers are generally assigned to businesses and used for advertising, it is not unfair that there be a charge to exercise a right of first refusal. The charge should be low enough for small businesses to afford but substantial enough so that the company will exercise prudent planning. ACTA suggests a non-recurring charge based on a sliding scale keyed to the assets and income of the end user with a minimum charge of \$1000 per number.

The exercise of the right should not be permitted more than once, even with the surcharge affixed to the number. To do so would simply add to the number exhaust by institutionalizing a reservation system based upon advertising needs. Each end user should also be allowed to reserve the same number in the next toll free access code released (e.g., 887). This would minimize market confusion and provide “protection” for an indeterminate amount of time but not in perpetuity.

#### **ASSIGNMENT BASED UPON INDUSTRIAL CLASSIFICATION**

The potential benefits of the Commission’s suggestion of using an alternative

approach of assigning a numerical code to each service and industry in the economy such as an Standard Industrial Code ("SIC") is not seen by ACTA as outweighing its detriments. Such an approach creates yet another database to be administered and does not solve the very real customer problems that have to be faced if the present holders of "vanity" 800 numbers are not allowed a right of first refusal.

The Commission should also heed the many letters addressed to the Chairman in which present holders of "vanity" numbers expressed concern about others using similar numbers. Some of these letters expressed the concern of the largest companies in the country. ACTA believes these end users' concerns should not be ignored. The Commission should establish working procedures that will be equitable to the holders of the "vanity" 800 service and yet provide a mechanism for others to use the number in the future. The Commission should not adopt the industrial classification proposal.

### **CONCLUSION**

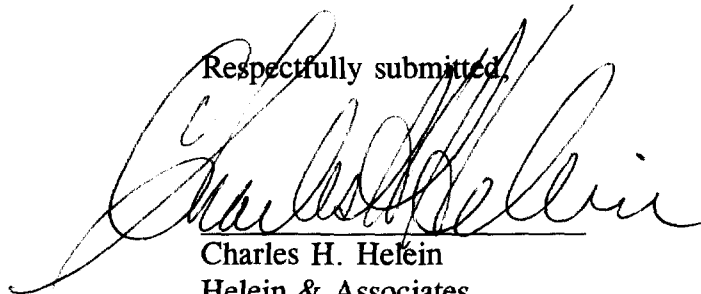
The unanticipated exhaust of 800 numbers came about after the introduction of 800 number portability. The fact that the amount of new numbers more than doubled in less than two years shows the proprietary approach people take toward their telephone numbers and the growth potential of their use by ever more businesses and residential users. The present system, an outgrowth of the procedures used in the old Bell System with change being forced by Divestiture, makes it necessary for the Commission to create new policy and procedures. These must provide for maximizing the even-handedness of future number administration if competition in new services is to go forward.

Even-handedness in turn means that the administrator of these toll free access codes cannot remain with Bellcore. While DSMI continues as the SMS manager, it should be made to report to the Commission. For those services that are sub-contracted, the entity must be neutral and apart from the industry. The selection of an administrator should be by competitive bidding. The costs of the company should be reimbursed through fees to the industry. In addition to the administration of the numbers, this entity should have the responsibility for network planning of future toll free services.

The Commission should mandate specific policies and procedures concerning the deployment of the new toll free services and they should be broad enough in scope to address future requirements as well. The present procedures that allow for both carriers and customers to reserve numbers well into the future has contributed to the present exhaust of the 800 numbers. This entire procedure needs to be changed as the industry goes forward in the deployment of new services.

Finally, the procedures should err on the side of simplicity. The Commission should refrain from allowing complicated procedures that confuse the industry or create an administrative bottleneck. All industry participants should be treated in an even handed manner.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, appearing to read 'Charles H. Helein', is written over the typed name and address.

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